

City Comptroller



Page Intentionally Left Blank



Office Description

The Office of the City Comptroller performs the general accounting and financial reporting functions for the City of San Diego. It is also responsible for payment services, including payroll processing for the City's approximately 10,000 employees and centralized processing for all vendor payments. More recently, the Office of the Comptroller added the Internal Controls Section, mainly responsible for implementing and monitoring internal controls over financial reporting and operations. The Office of the City Comptroller is responsible for the preparation of the Comprehensive Annual Financial Report (CAFR) which includes an accounting of all City funds and its component units. The CAFR also contains note disclosures that provide additional financial information and are necessary to fully understand the City's financial position. In addition, as part of the City's reporting requirements, the Office of the City Comptroller is responsible for preparation of the Schedule of Expenditures of Federal Awards and for the coordination of the City's Single Audit of federal assistance programs. The office also prepares internal financial reports such as the monthly Charter 39 report that focuses on the General Fund and Public Utilities Department's Water Fund and Wastewater Fund. It also includes summary year-to-date financial information for all budgeted funds.

The Office's mission is:

To provide timely and accurate financial services and information to City management, elected officials, and the public in order to effectively manage public resources

Goals and Objectives

The following are the strategic goals and objectives for the Office:

Goal 1: Provide accurate and timely accounting services to the City

The Office will move toward accomplishing this goal by focusing on the following objectives:

- Organize accounting sections to provide the right level of service to each of the Office's internal customers and maximize efficiencies within the Office

City Comptroller

- Work closely with the Department of Information Technology to identify system risks and enhancements that improve the Office's operational effectiveness
- Work with customer department management and staff to help develop more streamlined transaction processing workflows
- Identify necessary training opportunities with customer departments and develop training programs that contribute to more efficient financial processing and process flow understanding

Goal 2: Provide high-quality financial reports in a timely manner

The Office will move toward accomplishing this goal by focusing on the following objectives:

- Continue to develop comparative interim period actual-to-budget summary financial reports for public presentation
- Develop a set of SAP summary and detailed financial reports for management and staff
- Continue to develop key metric databases and reports and push key metric reports out to management in a timely manner to allow them to gauge department performance and make real-time decisions that affect operational efficiency

Goal 3: Engage in continuous improvement of the City's internal controls over financial reporting and operations

The Office will move toward accomplishing this goal by focusing on the following objectives:

- Continue to develop process narratives and workflow documents to further define transactional processes across all operations and the key internal control elements within each process
- Develop automated and manual testing routines of key controls within the SAP Governance, Risk, and Compliance (GRC) tool and begin testing material key internal control elements
- Encourage active participation and ownership of internal control processes and monitor progress

Goal 4: Hire, retain, and develop a skilled professional workforce

The Office will move toward accomplishing this goal by focusing on the following objectives:

- Effectively monitor employee performance and set individual and group target goals
- Cross-train employees to create a flexible workforce within the Office
- Promote training and professional development to keep employee skill sets current with technical accounting issues and technology

Key Performance Indicators

Performance Indicator	Target FY2014	Actual FY2014	Estimated FY2015	Target FY2016
1. Percentage of invoices paid on time citywide according to the terms established with each vendor	80%	71%	75% ¹	80%
2. Number of SAP reports developed in Business Objects	N/A	2	7	9
3. Number of SAP report developed in Spinifex	N/A	23	10	15
4. Total number of documented processes ²	350	310	410	510
5. Percent of employees compliant with Comptroller's training policy	100%	47% ³	56%	56%
6. Number of months needed to issue the CAFR	6	6	6	6
7. Receive unmodified CAFR opinion with zero material weaknesses identified	Yes	Yes	Yes	Yes

1. The above goal is an average for all City departments. Comptroller's provides an invoice payment statistical report to all City departments on a monthly basis and works directly with departments assisting them to meet the overall stated target goal.
2. Total number of process narratives and process flow diagrams fluctuates annually as departments identify new processes or delete/modify existing ones.
3. During Fiscal Year 2014, Comptroller's experienced high staff turnover and training was inconsistently monitored. Comptroller management has refocused its efforts on training and established a training plan for Fiscal Year 2015 to ensure we remain in compliance.

Service Efforts and Accomplishments

In Fiscal Year 2015, the Comptroller continued to perform core accounting and reporting functions which provided accountability and transparency on the use of City resources. The financial position and activity of the City is summarized in the Comprehensive Annual Financial Report (CAFR) which includes all City funds and component units. The Comptroller completed and issued the Fiscal Year 2014 CAFR on December 5, 2014 and received an unmodified opinion from the City's independent auditors. The Comptroller also provided accounting and reporting services to customer departments and complied with reporting requirements such as the Schedule of Expenditures of Federal Awards, the monthly Charter 39 reports, and the Annual State Controller's report.

The Financial Reporting section was established in Fiscal Year 2015 to develop stronger and more efficient financial reports for citywide internal use. Partnering with the Department of Information Technology, the Comptroller is developing a set of standard reports that will increase access, facilitate financial analysis, and allow the City to take advantage of the ample information currently stored in its financial system. There will also be a strong focus on training for departments for each new report published. A Citywide Financial Reporting Focus Group was established in order to promote collaboration and cooperation amongst City departments to address reporting needs. During Fiscal Year 2015, several reports were designed, tested, and implemented for general use:

- Project-to-Date Financial Report provides cumulative budget and expenditure information for capital improvement projects.
- Labor Detail Report provides salary and fringe expenditure detail information specific to capital improvement projects and grants.
- Accounts Payable Vendor Transactions Report provides detail information on vendor payment transactions including information on vendor names, invoices, source of funding and related accounting information.

City Comptroller

- General Ledger Transaction Report provides General Ledger balances with drilldown capability for transaction detail.
- Budget vs. Actual Report compares revenue and expenditure budget to actual results for the period.
- Open Encumbrance Listing provides information detail on open purchase requisitions, purchase orders, Comptroller Certificates and other encumbrance documents.

Payment Services Division continues to provide timely customer service in the areas of vendor and employee payments, responses to Public Information Requests and problem-solving and issue resolution. Between Fiscal Year 2014 and Fiscal Year 2015, Payroll Section worked closely with SDCERS in the implementation of their new retirement system IRIS, ensuring the reconciliation of employee accounts between SAP and IRIS. In Fiscal Year 2015 Payroll engaged with Local 145 to address payroll issues prioritizing their concern on their ability to properly ready and interpret their bi-weekly pay stub. A new form has been introduced to Local 145 that is under review with target production in Fiscal Year 2015.

Improvements on internal controls over financial reporting continued in Fiscal Year 2015. The Comptroller focused on developing and implementing a consistent process documentation strategy for all material accounting and financial reporting processes. Through training on internal controls and process documentation, the Comptroller was able to expand internal control work to all professional Comptroller staff accelerating the documentation of key processes. New automated and manual internal control tests were developed and implemented through the SAP Governance, Risk, and Compliance (GRC) module to measure if specific key material internal controls are operating as designed. New process design assessments were developed and pushed out to each process owner to determine the continued effectiveness of the City's financial operational processes.

The Comptroller continued to develop key metric reports which were distributed to City management on a monthly basis. These reports featured key performance metrics as executive management set target achievement goals for all City departments.

Some of the day-to-day activity the Comptroller performs throughout the year includes the following processes Fiscal Year 2014 totals are summarized below:

- 304,500 Employee Payroll Payments were processed
- 105,784 AP Payments were processed
- 856 Comptroller's certificates were issued
- 43 Public Request for Information were processed

Department Summary

	FY2014 Actual	FY2015 Budget	FY2016 Proposed	FY2015–2016 Change
FTE Positions (Budgeted)	82.75	82.75	84.75	2.00
Personnel Expenditures	\$ 9,938,052	\$ 9,808,532	\$ 10,249,891	\$ 441,359
Non-Personnel Expenditures	779,631	926,748	872,499	(54,249)
Total Department Expenditures	\$ 10,717,684	\$ 10,735,280	\$ 11,122,390	\$ 387,110
Total Department Revenue	\$ 2,441,946	\$ 2,468,547	\$ 2,772,259	\$ 303,712

General Fund

Department Expenditures

	FY2014 Actual	FY2015 Budget	FY2016 Proposed	FY2015–2016 Change
City Comptroller	\$ 10,717,684	\$ 10,735,280	\$ 11,122,390	\$ 387,110
Total	\$ 10,717,684	\$ 10,735,280	\$ 11,122,390	\$ 387,110

Department Personnel

	FY2014 Budget	FY2015 Budget	FY2016 Proposed	FY2015–2016 Change
City Comptroller	82.75	82.75	84.75	2.00
Total	82.75	82.75	84.75	2.00

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Salary and Benefit Adjustments	0.00	\$ 277,503	\$ -
Adjustments to reflect the annualization of the Fiscal Year 2015 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.			
Internal Controls	2.00	163,856	-
Addition of 2.00 Accountant 2s for citywide internal controls.			
Equipment/Support for Information Technology	0.00	75,365	-
Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.			
Addition of Training Expenditures	0.00	50,560	-
Addition of non-personnel expenditures for training.			
Non-Discretionary Adjustment	0.00	36,826	-
Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.			
One-Time Reductions and Annualizations	0.00	(217,000)	-
Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2015.			

City Comptroller

Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
Enterprise Asset Management Revenue	0.00	-	303,712
Addition of anticipated reimbursable revenue associated with the implementation of the new SAP Enterprise Asset Management (EAM) System.			
Total	2.00	\$ 387,110	\$ 303,712

Expenditures by Category

	FY2014 Actual	FY2015 Budget	FY2016 Proposed	FY2015-2016 Change
PERSONNEL				
Personnel Cost	\$ 5,577,555	\$ 5,668,309	\$ 5,890,826	\$ 222,517
Fringe Benefits	4,360,498	4,140,223	4,359,065	218,842
PERSONNEL SUBTOTAL	9,938,052	9,808,532	10,249,891	441,359
NON-PERSONNEL				
Supplies	\$ 58,662	\$ 101,792	\$ 101,866	\$ 74
Contracts	178,401	324,318	158,217	(166,101)
Information Technology	300,355	250,007	325,372	75,365
Energy and Utilities	47,749	54,397	68,078	13,681
Other	3,227	10,931	10,931	-
Transfers Out	191,238	183,303	206,035	22,732
Capital Expenditures	-	2,000	2,000	-
NON-PERSONNEL SUBTOTAL	779,631	926,748	872,499	(54,249)
Total	\$ 10,717,684	\$ 10,735,280	\$ 11,122,390	\$ 387,110

Revenues by Category

	FY2014 Actual	FY2015 Budget	FY2016 Proposed	FY2015-2016 Change
Charges for Services	\$ 2,243,816	\$ 2,373,547	\$ 2,677,259	\$ 303,712
Other Revenue	198,130	95,000	95,000	-
Total	\$ 2,441,946	\$ 2,468,547	\$ 2,772,259	\$ 303,712

Personnel Expenditures

Job Number	Job Title / Wages	FY2014 Budget	FY2015 Budget	FY2016 Proposed	Salary Range	Total
FTE, Salaries, and Wages						
20000010	Account Audit Clerk	7.00	7.00	7.00	\$33,114 - \$39,832	\$ 274,720
20000866	Accountant 2	21.00	22.00	24.00	54,059 - 65,333	1,428,449
20000007	Accountant 3	15.00	16.00	16.00	59,363 - 71,760	1,102,358
20000102	Accountant 4	12.75	11.75	11.75	66,768 - 88,982	1,020,211
20000024	Administrative Aide 2	3.00	3.00	4.00	42,578 - 51,334	189,363
20000119	Associate Management Analyst	1.00	0.00	0.00	54,059 - 65,333	-
20001105	Comptroller	1.00	1.00	1.00	34,694 - 207,210	159,000
20001168	Deputy Director	0.00	0.00	3.00	46,966 - 172,744	416,706
20000924	Executive Secretary	1.00	1.00	1.00	43,555 - 52,666	49,863
20001172	Financial Operations Manager	4.00	4.00	0.00	25,376 - 148,200	-
20000681	Payroll Audit Specialist 2	5.00	5.00	5.00	39,686 - 48,069	237,095
20000936	Payroll Audit Supervisor-Auditor	1.00	1.00	1.00	47,986 - 57,949	55,921
20001182	Principal Accountant	8.00	8.00	9.00	19,323 - 151,840	980,000

City Comptroller

Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2014 Budget	FY2015 Budget	FY2016 Proposed	Salary Range		Total
20000054	Senior Account Audit Clerk	3.00	2.00	1.00	37,877 -	45,677	45,677
20000015	Senior Management Analyst	0.00	1.00	1.00	59,363 -	71,760	69,248
	Budgeted Vacancy Savings						(172,785)
	Overtime Budgeted						35,000
FTE, Salaries, and Wages Subtotal		82.75	82.75	84.75			\$ 5,890,826
		FY2014 Actual		FY2015 Budget	FY2016 Proposed	FY2015–2016 Change	
Fringe Benefits							
	Employee Offset Savings	\$ 91,208	\$	97,391	\$ 93,897	\$	(3,494)
	Flexible Benefits	607,417		663,364	796,236		132,872
	Insurance	188		-	-		-
	Long-Term Disability	44,232		19,370	19,270		(100)
	Medicare	80,232		81,687	84,362		2,675
	Other Post-Employment Benefits	498,091		477,698	490,771		13,073
	Retiree Medical Trust	1,278		1,080	2,317		1,237
	Retirement 401 Plan	1,909		1,694	2,390		696
	Retirement ADC	2,521,065		2,361,842	2,351,886		(9,956)
	Retirement DROP	7,166		7,302	8,728		1,426
	Retirement Offset Contribution	180		-	-		-
	Risk Management Administration	74,282		74,577	87,657		13,080
	Supplemental Pension Savings Plan	309,796		322,327	351,669		29,342
	Unemployment Insurance	15,166		11,093	11,010		(83)
	Workers' Compensation	108,289		20,798	58,872		38,074
Fringe Benefits Subtotal		\$ 4,360,498	\$	4,140,223	\$ 4,359,065	\$	218,842
Total Personnel Expenditures					\$ 10,249,891		



Page Intentionally Left Blank